

EMGT 835 FIELD PROJECT:

An Alternative Method to Forced Distribution as a Means of Evaluating Employee Performance

By

Shannon M. Burger

Master of Science

The University of Kansas

Summer Semester 2006

**An EMGT Field Project report submitted to the Engineering Management Program
and the Faculty of the Graduate School of The University of Kansas in partial
fulfillment of the requirements for the degree of Master of Science.**

Herb Tuttle
Date
Committee Chair

Chick Keller
Date
Committee Member

Linda Miller
Date
Committee Member

Acknowledgements

I want to thank the professors and staff of the Engineering Management department at the University of Kansas – Edwards Campus. I especially would like to thank my committee members: Herb Tuttle, Chick Keller and Linda Miller. Thank you for your guidance and assistance with my field project. This was definitely a worth the challenge.

I would like to thank my parents and sisters for their love and support. I especially would like to thank my husband, Brian, for his patience while I followed my dream of getting my masters and planning our wedding at the same time.

Table of Contents

Acknowledgments.....	2
Executive Summary.....	4
Introduction.....	5
Literature Review	6
Chapter One: History of Performance Evaluations.....	11
Chapter Two: The Performance Appraisals.....	12
Linking Company Goals to Individual Performance	
Chapter Three: Forced Distribution Overview.....	15
Chapter Four: Forced distribution challenges inadequacy and comparability....	17
Forced distribution challenges fairness	
Forced distribution challenges relevance	
Chapter Five: An Example of Forced Distribution.....	24
Eliminating Forced Distribution & Trying a New Approach	
Chapter Six: A Different Approach to Performance Appraisals.....	29
The Best Performance Appraisal	
Summary & Conclusions	
References/Bibliography.....	34
Appendix A.....	36
Appendix B.....	43
Appendix C.....	44

Executive Summary

Performance appraisals, if done correctly, are an effective way for management to provide feedback to their employees on their job performance. Performance appraisals were developed to assist management with coaching and counseling for their employees and to eliminate the low performers. There are various forms for evaluating performance evaluations. One particular method that will be discussed in great detail is a method known as Forced Distribution. “Forced distribution requires that a predetermined percentage of employees be rated at various levels of performance.” (Heneman, 1992) The key points and findings that will be discussed in this paper are the following: (1) forced distribution challenges inadequacy and comparability, (2) forced distribution challenges fairness, and (3) forced distribution challenges relevance. The author will demonstrate how an alternative method to performance appraisal can be implemented without negatively effecting employees through extensive research and case studies that will be discussed in this field project.

Introduction

This field project involves a study of performance evaluations and a specific method of performance evaluation - forced distribution. Forced Distribution, or also sometimes called Forced ranking (FR), "is a performance intervention, which can be defined as an evaluation method of forced distribution, where managers are required to distribute ratings for those being evaluated, into a pre-specified performance distribution ranking." (Cooper & Argyris, 1998). Along with this, the author wants to demonstrate how forced distribution negatively impacts employees. In many organizations, appraisal results are used, either directly or indirectly, to help determine reward outcomes. For example, appraisal results are used in some organizations to identify those employees who are performing at a high level, resulting in a greater share of the available merit pay increases, bonuses, and promotions. Also, a very good performance evaluation method would identify gaps for continuous improvement from good to very good to excellent performance.

Along those same lines, performance appraisals are used to isolate and identify poor performers. These poor performers could potentially need more training, a different job, or a decrease in pay. The allocation and rationalization of rewards and penalties as an appropriate form of performance appraisal is a very uncertain and a matter of debate in today's modern workforce.

Few issues in management stir up as much controversy as the topic of performance evaluations. The author's company, Sprint Nextel, has changed their method of performance evaluations three times in the past five and a half years. The controversial issues of performance evaluations seem to take on two very different forms of what is good and bad in an organization.

There are many reputable sources such as researchers, management commentators, psychometricians, and psychologists who have expressed doubts about the validity and reliability of the performance appraisal process. Some have even suggested that the process is so intrinsically flawed that it may be impossible to perfect it.

On the other hand, there are many strong advocates of performance appraisals who view these as fitting into the culture of an organization and without them the organization could not exist. This project specifically addresses the flaws inherent in the forced distribution method for performance appraisals, as well as examines a specific example of how forced distribution did not work for one company which led to the development of a new way of executing a performance appraisal.

Literature Review

A Literature Review was completed using books and articles (mostly located on the internet) for writing this field project. Multiple references were used in this paper. Throughout researching this topic, most of the recent findings were located on the web. There was a lack of current books on the topic of performance appraisals and new methods to implement into an organization. Most of the material found in the books is before 2000, which likely indicates that not much has changed or improved in the topic of performance evaluations. An evaluation of several books and article that was researched is described below:

A. Books

1. Williams, Richard S. *"Performance Management: Perspectives on Employee Performance."* London: International Thomson Business Press, 1998.

The author of this book describes key approaches to designing, implementing, and managing an effective performance management system. The author writes of the importance of a mission and strategy and links reviewing and rewarding employee performances to performance-related pay. The author also looks at studies done in the 1990's which demonstrates that some evidence suggests that higher performance leads to higher pay, but the author also goes on to describe that it is not of a large magnitude. The association between pay and performance leads one to believe that other possible impacts of other factors besides performance could be affecting merit pay decisions. The author also elaborates on perspectives of performance management which will be discussed in this field project.

2. Heneman, Robert L. *"Merit Pay: Linking Pay Increases to Performance Ratings."* Ohio: Addison-Wesley Publishing Company, 1992.

The author of this book demonstrates to organizations how they can use theory and research to develop a new merit pay plan or to increase effectiveness of existing plans. The author has taken his own experience in the work place concerning merit pay and approached it from three different perspectives. The author first tried to use a balanced approach. The author believes that many articles concerning merit pay take a strong and/or emotional stance either agreeing or disagreeing with merit pay. The author's book looked at the conditions needed

for merit pay to work without agreeing or disagreeing with merit pay. The author's second perspective draws upon articles from many types of social science disciplines, including economics, industrial relations, management, and psychology in an attempt to give a comprehensive overview of merit pay. The third perspective was presenting recommendations based on theory and research and not current organizational practice. The author began the book rather than ended the book with a chapter on merit pay theory because he thought the reader should understand fundamental grounds for merit pay before learning the mechanics of merit pay plans. For this paper's intensive purposes the author of this book gave great examples of forced distribution which provided support for the case being built in for alternative methods for performance evaluations. Heneman recommends that forced distribution not be used in organizations with fifty people or less and also when only a few categories are "forced" when rating employees. This author is cited throughout this field project.

3. Harkins, Stephen G. *"Multiple Perspectives on the Effects of Evaluation on Performance Toward an Integration."* Massachusetts: Kluwer Academic Publishers, 2001.

The one chapter of focus from this book was titled, "Evaluation and Intrinsic Motivation: The Double Edged Sword." This chapter discussed competition prevailing in our society and how our success is many times based on how we perform compared to others. As a result, an employee's performance in a wide range of activities is under scrutiny and many people have different reactions to these types of evaluations.

4. Cotton, John L. *"Employee Involvement: Methods for Improving Performance and Work Attitudes."* California: Sage Publications, 1993.

This author discussed the importance of employee participation and involvement in organizations today. Organizations are learning that employee involvement can take many forms, however employee involvement needs to fit that particular organization. The success of employee involvement depends on a number of factors, including: changes amongst leadership roles, skills, abilities, communication, and rewards. These changes encompass an organization's values, beliefs, and norms about work behavior.

The book brings together scientific findings on how important employee involvement is and practical advice on how to improve this in one's organization. There was nothing in this book that assisted with the field project, as it did not specifically focus on the topic of performance evaluations and employee morale.

5. Swanson, Richard A. and Gradous, Deane. *"Performance At Work: A Systematic Program For Analyzing Work Behavior."* New York & Canada: John Wiley & Sons, Inc., 1986.

This book focused on evaluating work behavior and then developing a systematic program for analyzing the behavior. The author looked at three specific work behavior analysis methods: procedure analysis, process and troubleshooting analysis, and subject-matter analysis. Procedure analysis focused on observable tasks performed by machine operators, assemblers, forms processors, etc. Process and troubleshooting analysis was performed using work behaviors of those who were required to keep systems up and running. Examples of this include power plant operators, production plant system, automobile manufacturers,

etc. Subject-matter analysis is a method for determining knowledge work. This pertains to problem-solving work behaviors which are typically shown in management and staff positions. The author uses these three types of analysis to provide a systematic set of tools to analyze work behavior in an organization. This book was not very helpful in assisting with this project.

B. Articles and Websites

1. Performance Appraisal by Gregorio Billikopf Encina

A website that discussed performance appraisals by Gregorio Billikopf Encina, from the University of California, contained some very good points regarding a person's self esteem and how that ties into how we retain positive and negative feedback. The author discusses how people don't have to be good at everything but to really be good in a job a person should focus their efforts on improving on areas they know they are good in and not try to take on too much. More of this author's suggestions will be discussed in chapter five of this paper.

2. Performance Management: Forced Ranking by Charlotte A. Donaldson

This author focused on Forced Distribution and the performance philosophy that is often attributed and associated to Jack Welch, former General Electric CEO. The author phrases forced distribution is such a way that one should ponder why companies would even lead towards it and not away from it. The author defines Forced Distribution as follows, *"It's a workforce-management tool based on the premise that in order to develop and thrive, a corporation must identify its best and worst performers, then nurture the former and rehabilitate and/or discard the latter."*

It's an elixir that in these slow-growth times has proved irresistible to scores of desperate corporate chieftains - but indigestible to a good many employees."

This article was very helpful and had several good cases for why forced distribution negatively impacts employees. Also, several graphs from this website were used in this field project.

3. Performance Appraisal Tips Help Page by Dexter Hansen

This website discussed terms used to describe the various type of rating systems as well as a definition for performance appraisal. Also, purposes of a traditional type of performance appraisal and the performance appraisal process typically consisting of four inter-related steps was discussed to set expectations of what managers and employees should expect by their evaluations. This website provided the definition to performance appraisals in this paper, as well as, it was used to document why performance appraisals are important to an organization.

History of Performance Evaluations

The history of performance evaluations stems back to the early 20th century; however, most documentation on performance appraisals originates around World War II. There is "... a basic human tendency to make judgments about those one is working with, as well as about oneself." (Dulewicz, V.) Early research on motivation found that workers with roughly the same skills and abilities were paid the same amount of money but had different performance and motivational levels. Trying to recognize the importance of behavior rather than ability, the traditional emphasis on reward outcomes (i.e. – pay based strictly on experience) lost favor, and, beginning in the U.S. in the 1950's, the potential usefulness of the appraisal as a tool for motivation and development was gradually recognized.

The performance appraisal system began as an unpretentious method of income justification, that is, its main purpose was to determine whether or not the salary or wage of an individual employee was fair in relation to on-the-job performance. The process was strongly tied to material outcomes, with a bonus, raise, or decrease in pay based solely on the evaluation of the individual. If an employee's work performance was outstanding, that effort would result in an increase in pay. Focusing on financial loss or gain as the sole motivator, this philosophy left hardly any consideration for determining a root cause of the behavior. It was thought that if wages were either cut or increased, then that would be enough to refine or reward the employee's performance. While this concept worked some of the time, more times than not it resulted in failure.

The Performance Appraisals

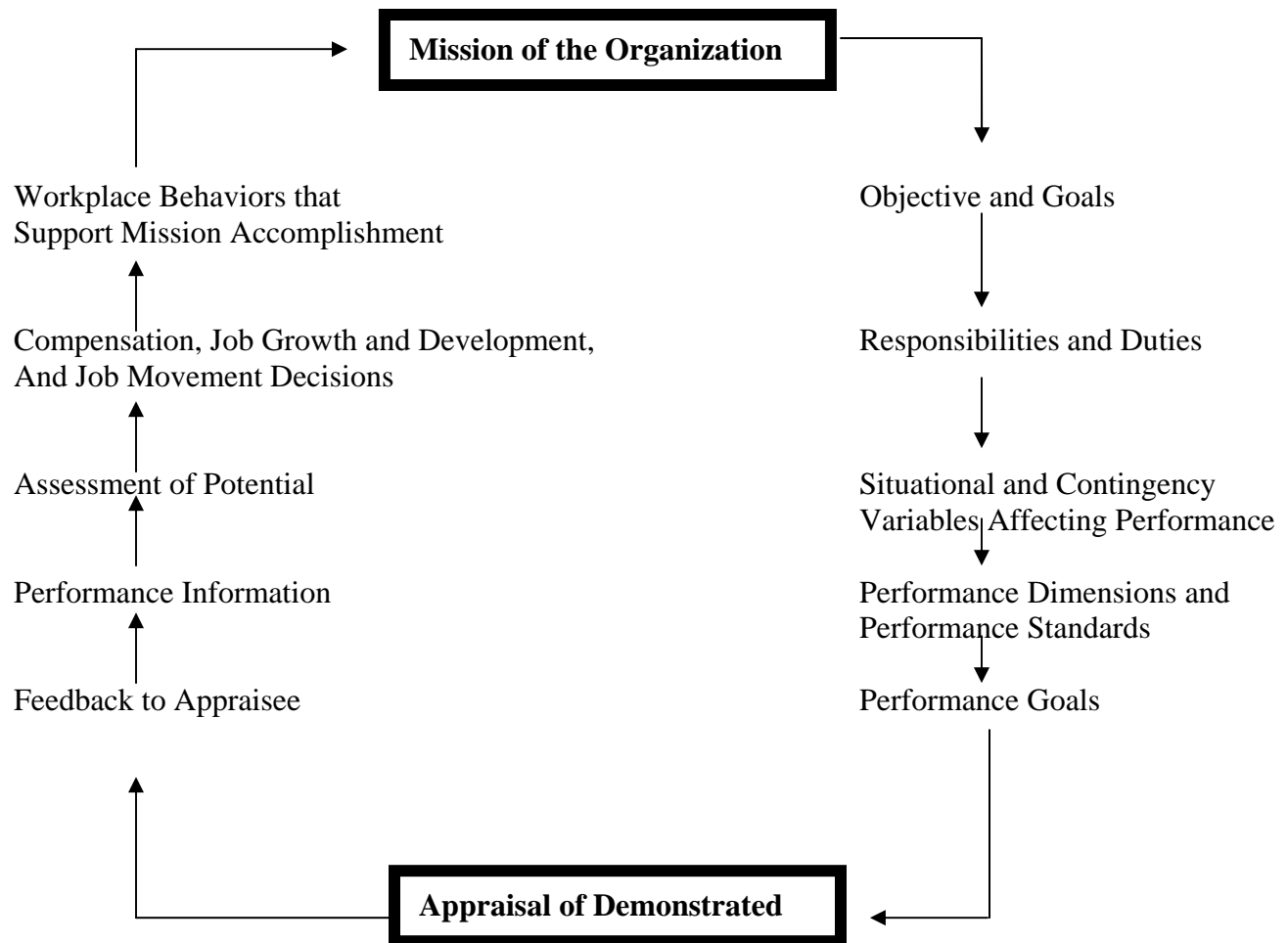
In today's corporate society, the performance appraisal has been defined as, "any personnel decision that affects the status of employee regarding their retention, termination, promotion, transfer, salary increase or decrease, or admission into a training program." (Hansen, Dexter) An umbrella of many colors, the performance appraisal may also be known as: performance review, performance evaluation, merit rating, or employee evaluation – depending upon the preferred corporate jargon.

Looking for a way to standardize and objectify the process of relating an individual's performance to organizational goals, companies seek to incorporate good performance appraisal systems into their organizations with the following expectations: communicate organizational goals into individual job objectives; discuss and communicate upper management's strategic goals; provide feedback

to the employee about their job performance; and determine the employee's strengths and weaknesses.

Linking Company Goals to Individual Performance

The ultimate goal of any organization is to set its mission and objectives then have the employees perform their jobs to the best of their abilities, allowing the company to beat out the competition and increase their market share. The challenge is providing direction to every individual employee so that each one's performance most efficiently leads to the success of the company in achieving its goals. Below is a diagram which accurately depicts the mission of the organization and the steps it takes to reach their expected results.

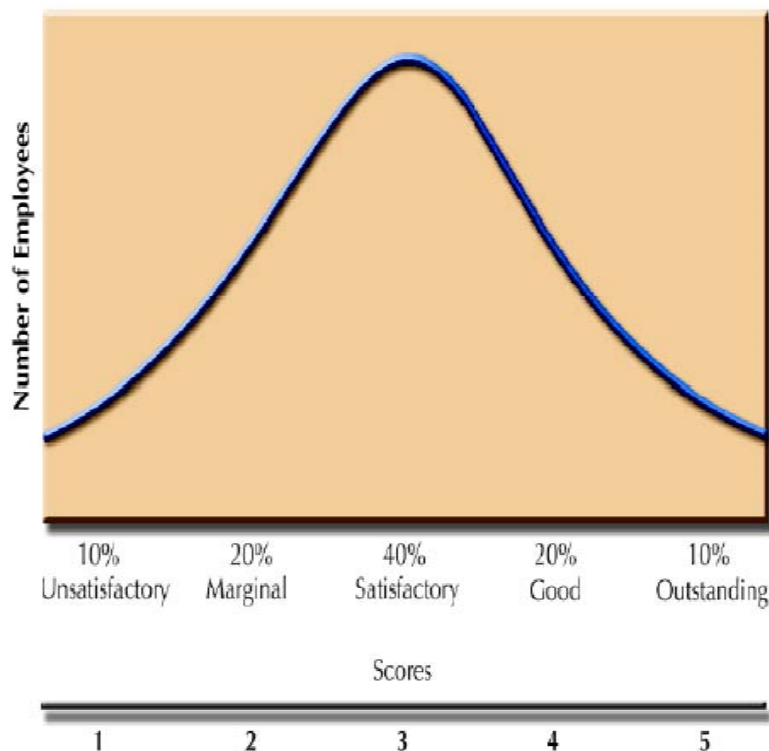


Source: Richard Henderson, Performance Appraisal: Theory to Practice, 1980, p.26)

As one can see by the diagram, success of the company and individual are forever entwined. Without a company mission, the individual will have no idea how he or she is performing and will most likely continue the same behavior – for better, or tragically, for worse. Likewise, without an appraisal of each individual's performance, the company will not be able to re-assess its mission going forward or adjust to any change in the corporate culture.

Forced Distribution

As mentioned earlier, the performance evaluation takes on many different names, and consequently, it also has many different methods by which it is measured. Forced Distribution, or forced ranking, is one method of performance measurement that “requires a predetermined percentage of employees be rated at various levels of performance.” (Heneman, Robert) For example, employees are ranked with the preconceived notion that 10% are rated “most effective,” 80% are rated “effective,” and 10% are rated “needs improvement.” A highly-publicized advocate of the ‘bell-curve’ variety of forced distribution, former C.E.O. of General Electric Jack Welch, utilized this method of performance evaluation to eliminate the bottom ten percent of low performing employees in his organization.



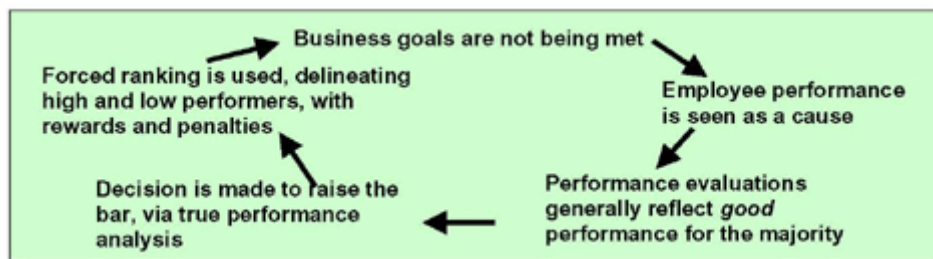
Source: Donaldson, Charlotte A. "Performance Management: Forced Distribution, 2003."

Various Types of Forced Distribution

Forced Ranking Type	How it works (requirements)	Results
Bell curve	<ol style="list-style-type: none"> 10% are top performers, exceeding expectations 80% are backbone, meeting expectations 10% are not meeting expectations 	<ol style="list-style-type: none"> Receive highest compensation increases; in line for advancement Receive moderate compensation increases Receives little or no compensation; coached for improvement; subject to termination.
Totem pole	One individual is at the very top, someone else is at the very bottom, and everyone else is ranked consecutively in between, based on performance.	Similar results as above.
Quartiles	Associates are ranked in four equal quartiles	Similar results as above.

Source: Donaldson, Charlotte A. "Performance Management: Forced Distribution, 2003."

In theory, forced distribution is a sound method for evaluating performance and driving competition in the workplace. Each employee knows that all he or she has to do to achieve the highest rating, and any incentives that go along with it, is to outperform his or her coworkers. As high performers are rewarded and poor performers are replaced, naturally the overall performance of the company improves.



Source: Donaldson, Charlotte A. "Performance Management: Forced Distribution, 2003."

There are a few fundamental assumptions made with forced distribution as a method of evaluating employee performance, and because of these assumptions forced distribution fails in effectively managing employee performance:

1. Forced distribution challenges inadequacy and comparability
2. Forced distribution challenges fairness
3. Forced distribution challenges relevance

A closer examination of each of these assumptions will be discussed next.

Forced Distribution Challenges Inadequacy and Comparability

With the individualization of today's work force, it's becoming increasingly less common for the assignments of one employee to mirror that of another. Even traditional "assembly line" work has become specialized in nature, so much that no longer is one able to truly compare "apples to apples" when evaluating the performance of one employee to another. So, if the processes of two people in a department are incomparable, how can one decide who is performing well and who is performing poorly? Not all employees' job functions are the same therefore, it is difficult to rate one person against another when they are not performing that same tasks. Some employees may have a technical position that is very limited in allowing them to "think outside the box," while other project or program managers have flexibility in their job descriptions which allows them to take on additional work and responsibilities making them appear to be overachievers. The variances in job functions play an intricate part in the rating of a person's job performance. Everyone doesn't get to work on the best assignments. Everyone is not on the latest and greatest technology.

Ken Blanchard Companies®, a global leader in workplace learning, productivity, performance, and leadership effectiveness solutions, discusses two major concerns regarding comparability and a forced distribution mentality. The first concern is "most organizations do not hire employees that are losers.

You don't hear organizations saying, 'We lost a few of our best losers last year. We'd better hire some more.' Organizations either hire winners - people who have proven track records – or potential winners – people who they think can be trained to be good performers. By admitting this bias in hiring people. Managers are clearly skewing the curve to the right, that is, they have an inherent bias for having good performers. They are not hiring a normal distribution of the population; therefore they should not treat the workforce as if they were a normal distribution curve.” (Blanchard, Ken., 2004)

The second concern that was discussed was the conflict between employees being given a high rating however the goals of the organization are not met. Many times the organizational goals and the goals of the individual employee are not clearly comparable. When this occurs, “people are asked to evaluate their employees on such things as ‘willingness to take responsibility’ and ‘initiative’- all kinds of things that nobody knows the meaning of.” (Blanchard, Ken., 2004)

Forced Distribution Challenges Fairness

Organizational justice refers to perceptions of the fairness of workplace outcomes or processes (Cropanzano & Greenberg, 1997.) Another way to say this, it is the degree to which workers feel that they are being treated fairly in relation to others. Justice is important in our workplaces because without it the negative atmosphere can lead to harsh consequences for employees and management. There are two forms of justice which will be looked at in this field project: distributive and procedural.

Procedural Justice

“Procedural justice is concerned with making and implementing decisions according to fair processes.” (Maise, 2003.) Procedural justice concerns the fairness of the processes by which decisions are made, and may be contrasted with the distributive justice (fairness in the distribution of rights or resources.) Some theories of procedural justice hold that fair procedure leads to equitable outcomes, even if the requirements of distributive or corrective justice are not met. ‘Voice’ was proposed by Thibaut and Walker (1975), and refers to when employees are given a chance to speak on their own behalf. They distinguished between ‘instrumental’ voice, in which their comments may influence the decision, and ‘noninstrumental’ voice, in which the comments will have no bearing on the outcome (e.g., comments were only allowed after the decision had been made). Various studies have shown both to be effective in various contexts. The question that comes to mind is what makes a procedure fair? What empowers managers to make procedures that are fair to all employees and not just some of them? Greenberg, an author of over 150 publications specializing in organizational ethics and justice, discussed a couple of factors which he believes contribute to the perceived fairness of performance appraisals:

- employees have the ability to challenge or rebut the evaluation
- standards are applied consistently

With forced distribution, it is almost impossible to have consistent standards with employees who have unique processes. Therefore standards cannot be applied consistently for all employees. Also, forced distribution does not allow employees to challenge or rebut their performance evaluations because to challenge ones own review would mean that another employee’s rating would have to change.

It is a fairly reasonable assumption that the manager's mind is already made up on what rating he or she intends to give the employee before the evaluation ever takes place. Once the ratings are set, changing them is not negotiable. Those ratings have already been signed off by upper management prior to these performance reviews taking place.

Research has shown us that when procedures are fair employees will be more accepting of decisions made than when procedures are deemed unfair. The issue between organizational justice and forced distribution is that they both are contradictory of one another. Forced distribution, in the eyes of the employees, lacks fairness due to constraints that are imposed upon it. These constraints exist because managers are forced to give one or more of their employees a low rating even if the employee does not deserve one. Employees want to be treated fairly and inherently try their best to perform well in their job functions. Forced distribution encourages employees to compete against one another; however, without sharing distinct, objective, and measurable processes, employees become confused as to what will set them apart from their coworkers. Since employees know that no matter how well they perform in their job, someone on their team has to be given a low rating, it places unfairness in the eyes of the employee. Employees do not go into their job expecting to fail or perform badly. Designed to eliminate poor performers, forced distribution, with its inability to compare employees who perform different job functions, instead causes uncertainty in employees regarding what is truly being evaluated. Lacking understanding of the evaluation, the potential to see the overall performance review as unfair increases.

Distributive Justice

Distributive justice is concerned with the fair allocation of resources among diverse members of a community. Fair allocation typically takes into account the total amount of goods to be distributed, the distributing procedure, and the pattern of distribution that results. (Maise, 2003.) Examples of distributive justice are hiring decisions, raises, performance appraisals, downsizing and layoffs.

Greenberg discovered that there were two distributive factors that contributed to managers perceiving performance evaluations as fair:

- The performance evaluation was based on the performance achieved
- Salary/promotion recommendations were based on the evaluation given

“Perceptions of outcome fairness do have important consequences for aspects of organizational performance – poor employee performance and higher rates on turnover and absenteeism can be seen where outcomes are seen as unfair.”

(Cropanzano and Greenberg 1997) In forced distribution, the issues arising in assumptions of inadequacy and comparability lead to an image of unfairness in the workplace.

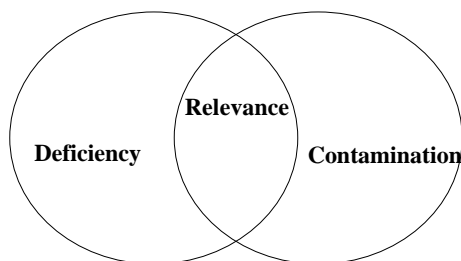
Potential Impacts with the Forced Distribution Method

Class action lawsuits have been brought against many large companies. The people filing these lawsuits claim that the forced distribution method for their appraisal system in their company is discriminatory. The companies will most likely have a hard time defending that they are not being discriminatory because they typically have mandated that they have a fixed percentage, typically 10%, of employees who will receive the lowest rating or score.

In some companies this means being fired, in other companies such as Sprint Nextel, this means being on probation for a year, and then possibly fired depending on what rating the employee receives the following year. Many times it would be difficult for companies to provide a significant difference in an employee who was fired and an employee who scored a low rating and was kept on at the company.

In 2002, Goodyear was sued for age discrimination by several employees, which therefore led them to the decision to drop forced ranking. Microsoft was sued by several African-American men and women for race and gender discrimination. Most of the lawsuits were dismissed but the company reached a confidential settlement with one of the employees. Some people believe that the reason that people sue is not because they have been discriminated against, they just feel like they aren't being treated fairly. Many employees cannot distinguish between the two.

Forced Distribution Challenges Relevance



Source: Heneman, Robert L. "Merit Pay: Linking Pay Increases to Performance Ratings." Ohio: Addison-Wesley, 1992

“Deficiency refers to variance in the ultimate criterion that is not captured in the performance ratings. The performance is overlooked by the evaluator. Contamination refers to variance in performance ratings that is unrelated to the ultimate criterion.” (Heneman, 1992.) The Venn Diagram above shows the relationship between relevance, contamination, and deficiency. “The level of relevance for performance ratings depends on the amount of contamination and deficiency in ratings. There is a greater level of relevance possible when there is less deficiency and less contamination.” (Heneman, 1992)

Robert L. Heneman, from a book which was discussed briefly in the Literature Review states, “Relevance is a difficult, if not impossible, concept to measure due to the abstract and distant nature of the ultimate criterion.” Heneman believes that formulas are not available to measure relevance. Relevance is inferred rather based on conditions which surround performance measurement. The ultimate criterion in most organizations is the relationship between performance measurements and the strategic mission and goals of the company. Companies try to tie performance to what the strategic mission, goals, and objectives are each year. However, if performance is seen as being outside the control of an employee, which many times it is, then most employees will not be able to make the desired link between reward/pay and performance. An example used by Heneman in his book is the controversial passing rating system, used by the National Football League (NFL), to evaluate the passing performance of quarterbacks in the league. A major point of contention is the ratings are unfair because other players on the team could be a hindrance to how the quarterback ranks. If the quarterback has an incredible offensive line then naturally he has a better chance to outperform a quarterback with a weak offensive line.

Compare this to having a team at work. If the team does not do well and does not provide the expected results, should the whole team receive the same rating or should it fall onto the shoulders of the project leader?

With a forced distribution method it is hard to have relevance if you are trying to conform employees to the same standards when they all have different processes. With relevance it is hard to distinguish between performance ratings and the ultimate goal of the organization in terms of individual job performance.

An Example of Forced Distribution

The author's company, Sprint Nextel, attempted the forced rating concept for a few years. The intent was to introduce a fundamental change in the way we evaluate our salaried employees' performance. The new alpha LINK system was intended to encourage and improve direct feedback so that employees would understand more clearly how their performance was being evaluated.

This clearer feedback was intended to facilitate more personal development. The belief was that with all of us focused on improving our performance, the performance of the entire enterprise would be elevated. Shortly after the launch, however, it became clear from the reaction of a broad base of employees that the system had flaws and that it would be difficult to achieve the desired objectives with the system as implemented.

The LINK document was made up of a five-level rating system. The levels were an alpha system that represented the following: Mostly Effective (M); Highly Effective (H); Effective (E); Improvement needed (I); and Substantial Improvement Needed (S). These levels were then set to align with the bell curve where they had a top 20%, bottom 20% and the other 60% of employees fell into the middle of the

curve with an Effective (E) rating usually. See Appendix A for the old LINK document.

The Human Resources team responded to this challenge with a comprehensive After Action Review (AAR) of the new LINK system. This review involved interviews with executives, 20 focus groups and a targeted online survey. In all, nearly 1,500 participated. It may have been the most exhaustive review of an initiative that has been undertaken at Sprint. Equally impressive was the candid and insightful comments and suggestions offered by the associates.

In these interviews and surveys, employees confirmed their support for the alpha LINK system's underlying objectives of clear and direct communication and increased emphasis on employee development. They also agreed that the new system improved the recognition of leading performers and that it made the less effective performers aware of deficiencies in their performance.

At the same time, the respondents offered insight into how and why the system needed to be improved if LINK was to be more effective going forward. They learned the following:

- The system put too much emphasis on the performance of employees relative to their peers and did not sufficiently recognize individual contribution. Supervisors felt they were compelled to institute forced distribution based on strict adherence to a fixed percentage in each rating category.
- The system designated 30 % of the work force as being less than effective. Given the overall strength and contributions of the employees, 30 % was viewed as too high a percentage.
- Managers and Supervisors did not feel that they had low performers but were left with no choice but to rate some of the employees low.

The findings from the review were organized around four top issues that employees identified: (1) the LINK model that was used, (2) the evaluation criteria used in LINK reviews, (3) training and education on the LINK system, (4) and the implementation process for LINK. See Appendix A for a breakdown of the alpha ratings mentioned in the above paragraphs. Sprint Nextel made several mistakes along the way with this forced distribution technique. They rolled out the new system too quickly and as a result did not prepare employees adequately for such profound changes to the performance system. They also didn't communicate as well as they should have on how managers were to implement the new system. Managers were extremely confused at this time due to lack of training and preparation in the Human Resources Department.

Eliminating Forced Distribution and Trying a New Approach

The new approach at Sprint Nextel, which is still the current performance system today, allows managers to evaluate employees using a four-level rating system rather than the current five. These levels are Most Effective (M); Highly Effective (H); Very Effective (V); and Less Effective (L). Distribution ranges rather than a fixed percent applied to each level so that overall, 10 to 15 percent of the Sprint salaried employee population will be rated an "M"; 15 to 25 percent, an "H"; 50 to 60 percent, a "V"; and 10 to 15 percent, an "L." However, Sprint Nextel does not stress to conform to those exact percentages anymore. Appendix B provides an overview of the new alpha ratings as well as definitions on what is incorporated in each level. For example, a Most Effective (M) rating would be defined as being in the top 10% of the work group and are most effective in the following areas:

- Total job requirements and expectations
- Specifically identified LINK objectives
- Demonstrated Sprint Dimensions
- Skills and behaviors

This leads to the next point that no one form or process can accomplish all that should be encompassed in a performance appraisal. Coaching, feedback, fair compensation, promotions, employee morale, and employee development are a few to mention. Forced distribution as a method of providing feedback does not work for several reasons: manager's cannot accurately and fairly provide employees with performance reviews without bias. There is usually something tied to what rating or merit the employee receives. Forced distribution forces the manager to compare employees to each other, and with no clear distinctions available in work behavior, often the manager is forced to resort to politics. Politics and bureaucracy are very much a part of who gets what rating. Through researching this topic on the internet there were a list of quotes from various managers that demonstrate how office politics play a role in the performance review of an employee:

- *"As a manager I will use the review process to do what is best for my people and the division... I've got a lot of leeway-call it discretion-to use this process in that manner. I've used it to get my people better raises in lean years, to kick a guy in the pants, or to pick a person up when down or tell a person he was no longer welcome here. I use it as a tool to do my job accurately describing an employee's performance is really not as important as generating ratings that keep things cooking.*
- *The mere fact that you have to write out your assessment and create a permanent record will cause people not to be as honest or accurate as they should be. We soften the language because our ratings go into the person's file in HRM and it follows him his whole career.*
- *The fact that the process is ultimately tied to money influences the ratings a person receives.. Whenever a decision involves money things can get very emotional and ticklish.*

- *I want to keep my people happy; sure I inflate some ratings to maximize pay increases; sometimes I'll lower ratings to send a message. We all manipulate ratings at times to deal with the money issue. But look what HRM does. They say that outstanding performers get a 7-10% raise but that since money is tight not to give anyone a top rating. They make us adjust the ratings to fit the money available for raises.*
- *We have a very political climate here; performance appraisal will be very political in a place like this.*
- *Where my bosses look at the ratings, I take it seriously; if they don't take it seriously, I won't. Typically the higher you get in this organization, the less your boss really knows your people and less likely to question your judgment; this is where I use more discretion.*
- *I try to use the appraisal process to my advantage; I use it to keep my people going. I'm not off to tick people off; I want to make them happy. I had this guy going through a divorce; I'm not going to kick him while he's down even if his performance is off.*
- *There are two reviews-the written one and the spoken one. The spoken one is the real one since I don't want to put some things down on paper.*
- *If two people performed at the same level and the second one tried harder, I'd give the second one higher ratings.*
- *Sometimes I'll give a guy I don't like a higher rating just to help get him out of here.*
- *I'll use the appraisal to shock an employee even if it's not totally accurate.”*
(Politics of Performance Appraisal)

Although these types of events go on in our organization management still continues to let these types of situations occur. A manager the author once knew did not write one single comment on the employees' performance reviews. The manager gave a rating, told the employee they were doing a “good job” and that was the end of the performance evaluation. Does the fact that the manager says the employee is doing a good job, really motivate them to keep doing a better job? Do they want to try and do anything different for next years review? The answer is no. From an employee perspective, if a manager won't even take the time to write

comments on the past year's performance, then what will make the employee want to improve and be challenged?

Another reason forced distribution does not work is the evaluation process de-motivates employees rather than motivating them. At the author's company each employee is responsible for creating and managing their individual performance documentation. It is web based and allows the employees to go in and add to or make updates throughout the year. These documents take hours to produce and employees spend a considerable amount of time creating and maintaining these each year. Employees do not want to put that much time and effort in a document that is hardly looked at and that will not make much difference anyway. This subject has been discussed with employees both in and outside of the author's company to gain their perspective on performance appraisal forms. The majority of employees asked feel that performance appraisals are something that has to be done because upper management says so and not something that needs to be done for the sake of the employees.

A Different Approach for Performance Appraisals

Corporate culture plays an intricate role in determining what style of performance appraisals to implement and which one will be successful. There are many types of performance evaluation forms or methods that can be used. Performance evaluations need to be in sync with the company's culture or else they will fail. An employer should choose one that best fits their needs, environment, and performance issues that are most common to their organization. With the recent spin off of the Sprint Local Division (now called EMBARQ), a different approach to performance evaluations has been underway. Several

individuals in the author's previous organization worked with Human Resources to provide input and suggestions on how the new approach should work. EMBARQ management wanted to eliminate the rating system altogether. They wanted to shift away from having a number/level rating schema to a narrower scope for evaluating employees. They developed a new approach where the objectives are either met or not met.

This appears to be cut and dry and in a sense a more fair way to provide feedback to employees on how they are performing in their jobs.

An employee has four or five objectives to meet throughout the year and they either meet them or they do not. See Appendix C for the new performance appraisal form for EMBARQ.

A criticism to this approach could be that it is almost impossible now to distinguish top performers from good to average performers. However this is precisely the point! Rather than compare employees to each other this process compares the employee to his or her ability to handle his or her assigned tasks. If the objectives are outlined in the beginning then the employee knows that they have to meet it or else it is evident that an objective was not met. Whereas with the forced distribution rating system, if they did not meet the objective there could be ways to embellish the managers and employees' comments to still pull a three (average) or four (lower than average) rating for the year. This approach is not flawless by any means, but this is something that could be enhanced and evolve into something that will better suit the new company's culture and environment rather than the original approach of forced distribution. Through researching the internet, many new performance appraisal forms are taking this approach and moving away from the forced distribution method.

Conclusion: The Best Performance Appraisal

The best performance reviews let communication evolve between managers and employees. Feedback is not about forms. There are several different forms and techniques that can be used to assess employee performance, however forms should be used as a legal and administrative duty only and not a basis for giving reviews.

The best performance appraisal is not a re-occurring document that is updated once, twice, or three times a year and never looked at again. The best appraisal is one that is done all the time, not just a tool that is used to justify a merit or to get rid of the bottom feeders in the organization. Measurement on a daily, weekly, or monthly basis will increase performance and morale of the employees. Measuring allows the manager to see changes in performance in a timely fashion. This will also provide positive reinforcement and let the employee know that management does care about the job they are performing and ensuring that the tasks are performed well.

In researching how to effectively implement a successful performance appraisal the author has determined that having no performance appraisal is not the answer. Employees want to be told how they are doing. The most effective performance management routines consist of regular, frequent interaction with employees. Talking with employees on a regular basis to determine how they feel they are performing in their job, what they have learned and/or what they hope to learn in the future makes both the manager and the employee accountable for their performance. Also, having meetings frequently could make it easier for the employee to determine if the job they are performing is being done correctly.

If it is not, this gives the manager an opportunity to work with the employee and correct actions that are being done incorrectly rather waiting until the end the year to address it.

Doug Staneart, CEO of The Leader's Institute, focuses on employee morale in the workplace. He discusses a system where “mini-interviews” are conducted which last approximately ten or fifteen minutes and is a great way to open the lines of communication between manager and employee. “These sessions are valuable because they open lines of communication and they give the manager a chance to update the progress of the employee in different result areas. If the employee is performing above expectations, then this is an opportunity to shine and set new goals, and if the employee is performing below expectations, then corrective actions can be taken. These "mini interviews" make annual appraisals a piece of cake, because the employee and the manager now have as many as 12 separate (written) measured checkpoints along the way that show how the employee has performed over the last year. This annual review now has documented facts to base an appraisal on.” (The Leaders Institute, 2001) Giving regular feedback is one of the most powerful ways of motivating employees to perform at their best. This will help ensure that employees are getting the feedback they need, whether positive or negative.

In conclusion, performance management can be conducted very differently depending on the company and its environment. Performance management is something that will continue to evolve and be perfected numerous times in today's fast paced economy. Will it ever be perfect? Hardly. However, as long as we continue to put our employees needs first, which includes, providing them the right tools to perform their job, it is always a step in the right direction.

“New types of reviews are coming into play. Most require that evaluations be done not for raises, promotions, or bonuses, but for growth, development, and communication. The most important aspect in every case is *communication between the employee and other people*, instead of one-way communication, for higher performance.” (Toolpack Consulting)

BIBLIOGRAPHY

Blanchard, Ken. "Ignite!"

http://www.kenblanchard.com/ignite/ignite_volume4_2004.html

Cropanzano, R. and Greenberg, J. (1997) Progress in organizational justice. In C.L. Cooper and I.T. Robertson (eds) International review of Industrial and Organizational Psychology, vol. 12, Chichester: Wiley.

Donaldson, Charlotte. "Performance Management: Forced Ranking."
<http://edweb.sdsu.edu/people/ARossett/pie/Interventions/forcedranking1.htm>

Dulewicz, V., "Performance appraisal and counseling, in Herriot, P., Assessment and selection in organizations: methods and practices for recruitment and appraisal," John Wiley & Sons, New York, pp645-649.)

Encina, Gregoria Billikopf. "Performance Appraisal"
<http://www.cnr.berkeley.edu/ucce50/ag-labor/7labor/06.htm>

Hansen, Dexter. "Performance Appraisal Tips Help Page
http://iso9k1.home.att.net/pa/performance_appraisal.html

Harkins, Stephen G. "Multiple Perspectives on the Effects of Evaluation on Performance Toward an Integration." Massachusetts: Kluwer Academic Publishers, 2001.

Heneman, Robert L. "Merit Pay: Linking Pay Increases to Performance Ratings." Ohio: Addison-Wesley Publishing Company, 1992.

Longnecker, Sims and Gioia, "Behind the Mask: The Politics of Employee Appraisal," Academy of Management Executive 1987, Vol. 1, No. 3, pp. 183-193.

Maiese, Michelle. "Distributive Justice." Beyond Intractability. Eds. Guy Burgess and Heidi Burgess. Conflict Research Consortium, University of Colorado, Boulder. Posted: June 2003
<http://www.beyondintractability.org/essay/distributive_justice/

Staneart, Doug. "The Leaders Institute, Team Building and Employee Development."
<http://www.leadersinstitute.com/teambuilding/articles/performance review.html>

Tool Pack Consulting. <http://www.toolpack.com/performance.html>

Williams, Richard S. "Performance Management: Perspectives on Employee Performance." London: International Thomson Business Press, 1998.

References

Adams, J. S. (1965). "Inequity in social exchange. In L. Berkowitz (Ed.), *Advances in experimental social psychology.*" (Vol. 2, pp. 267-299). New York: Academic Press.

Meisler, Andy. <http://www.vancouver.wsu.edu/fac/seitz/rankyank1.htm>

Robert T. Buttram, Robert Folger, and B.H. Sheppard. "Equity, Equality and Need: Three Faces of Social Justice," in *Conflict, Cooperation, and Justice: Essays Inspired by the Work of Morton Deutsch*, eds. B.B. Bunker and Morton Deutsch (San Francisco: Jossey-Bass Inc. Publishers, 1995), 272.

Schneier, C.E., Implementing performance management and recognition and rewards (PMRR) systems at the strategic level: A line management-driven effort. *Human Resource Planning*, 1989, 12 (3), 205-220.

Swanson, Richard A. and Gradous, Deane. "Performance At Work: A Systematic Program For Analyzing Work Behavior." New York & Canada: John Wiley & Sons, Inc., 1986.

for Exempt Employees

**"To be successful, we must have a
feedback-rich environment."**

William T. Esrey

VISION

"To be a world-class telecommunications company—the standard by which others are measured."

GOALS

- Exceptional Customer Satisfaction
- Inspired, Innovative, and Empowered Employees
- Superior Financial Results

LINK Online Reference <http://ueonline.corp.sprint.com/link/main.htm>

LINK Online provides additional resources for each element of the LINK including the IDP.

PERSONAL DATA	
Name:	Employee ID #:
Position Title:	Department Name:
Manager's Name:	Performance Period:

LINK PAL

The LINK process includes: (1) a performance/IDP planning discussion, (2) interim performance reviews/IDP progress discussions (twice during the year), and (3) a performance review/IDP results discussion. The following PAL provides an agenda for all four discussions.

Purpose

The purpose of LINK is to have candid, constructive feedback discussions that provide the employee with a thorough and comprehensive performance review, including specific feedback on strengths and opportunities for improvement.

Agenda

- I. Discuss the elements of performance effectiveness
 - A. Total job requirements and expectations
 - B. Specifically identified objectives (MIP)
 - C. Demonstration of Sprint Dimensions
 - D. Skills and behaviors that indicate the ability to develop as the business becomes increasingly more challenging, including the IDP
- II. Discuss performance rating (at year-end, subject to LINK rating approval process)

Limits

- 30-60 minutes (Slight variations may occur due to business needs.)

I.A. TOTAL JOB REQUIREMENTS AND EXPECTATIONS OBJECTIVES (TRADITIONAL LINK OBJECTIVES)	
The LINK rating criteria encompass all responsibilities and requirements of the position. Select 3-5 objectives that are most critical and/or require the most attention. Write each objective using the Specific, Measurable, Attainable, Relevant and Timebound criteria.	Briefly describe the status of each objective.
Objectives	Status
1.	•
2.	•
3.	•
4.	•

I.B. SPECIFICALLY IDENTIFIED MIP OBJECTIVES (for MIP participants)	
List no more than six line-of-sight objectives. Write objectives using the following criteria: contribute directly or indirectly to the corporate objectives, are achievable in the plan year, have a measurable outcome, and reflect the highest priorities of the year.	Briefly describe the status of each objective.
Objectives	Status
	•

I.C. DEMONSTRATION OF SPRINT DIMENSIONS

SPRINT DIMENSIONS

For each Dimension, list one critical Subdimension required of the job and/or that will assist you in completing your objectives. Dimension and Subdimension definitions can be found at http://ueonline.corp.sprint.com/link/resource/forms_index.htm

BEHAVIORAL RESULTS

Use the suggested SAR format—Situation, Action, and Result.

Leadership

Communication

Management

Personal Effectiveness

Professional Knowledge/Global Awareness

Customer Focus

Team Approach

I.D.1. DEVELOPMENT: INDIVIDUAL DEVELOPMENT PLAN (IDP)

The IDP consists of both career development and current performance development goals and actions.

Be prepared to discuss and review the following topics with your manager:

- | | | |
|---|--|--|
| <input type="checkbox"/> Future career goals and their feasibility. | <input type="checkbox"/> Current development goals. | <input type="checkbox"/> Milestones, progress and results. |
| <input type="checkbox"/> Preparation needed for career goals. | <input type="checkbox"/> Preparation needed for current development goals. | <input type="checkbox"/> Changes and adjustments. |

Development Goals List 1-3 career and/or current development goals.	Agreed Upon Actions Specify what steps you will take to accomplish your development goals. Include any actions that may be required to develop skills listed in the Sprint Dimensions. Resource: Development Activities Guide (DAG), http://ueonline.corp.sprint.com/dag/	Anticipated Date of Completion	Actual Date of Completion
Develop Leadership skills:			
Enhance Data Awareness knowledge			

I.D.2. DEVELOPMENT: ABILITY TO MEET FUTURE BUSINESS CHALLENGES

At least once a year, managers need to discuss the skills and behaviors that indicate the employee's ability to develop as the business becomes increasingly more challenging. This includes exhibiting resiliency and staying current as the industry, technology, and Sprint change. It also includes adapting to increased complexity, uncertainty and ambiguity that impact the scope of decision making required at all levels.

Employee's Comments (Optional)	Manager's Comments (Required)

II. PERFORMANCE RATING

Manager: During the final performance review, use the following rating definitions to provide evaluative feedback for the results achieved and the behaviors demonstrated based on all performance documentation and discussions. Bold the overall rating for the definition that best describes the level of performance achieved at year-end. All completed LINK documents should be submitted electronically. For instructions on how to do so, log into HR Self Service at http://dappwp09a.corp.sprint.com/cgi-win/AcgiEsq.exe?/Saf/Entry/Signon_form.htm, select the “My Staff” tab, and click “Upload LINK.”

OVERALL RATING	RATING	DEFINITIONS
M	Most Effective	In a comprehensive review of individual performance, contributions and personal/professional development, the employee: <ul style="list-style-type: none"> Is in the top 10% of the work group as evidenced by the most effective performance when considering: <ul style="list-style-type: none"> Total job requirements and expectations. Specifically identified objectives (MIP). Demonstration of Sprint Dimensions. Skills and behaviors indicating the ability to thrive as the business becomes increasingly more challenging.
H	Highly Effective	In a comprehensive review of individual performance, contributions and personal/professional development, the employee: <ul style="list-style-type: none"> Is in the next lower 20% of the work group as evidenced by highly effective performance when considering: <ul style="list-style-type: none"> Total job requirements and expectations. Specifically identified objectives (MIP). Demonstration of Sprint Dimensions. Skills and behaviors indicating the ability to succeed as the business becomes increasingly more challenging.
E	Effective	In a comprehensive review of individual performance, contributions and personal/professional development, the employee: <ul style="list-style-type: none"> Is in the middle 40% of the work group as evidenced by effective performance when considering: <ul style="list-style-type: none"> Total job requirements and expectations. Specifically identified objectives (MIP). Demonstration of Sprint Dimensions. Skills and behaviors indicating the capability to succeed as the business becomes increasingly more challenging.
I	Improvement Needed	In a comprehensive review of individual performance, contributions and personal/professional development, the employee: <ul style="list-style-type: none"> Is in the next lower 20% of the work group as evidenced by improvement being needed in performance when considering: <ul style="list-style-type: none"> Total job requirements and expectations. Specifically identified objectives (MIP). Demonstration of Sprint Dimensions. Skills and behaviors indicating a need for improvement in order to succeed as the business becomes increasingly more challenging.
S	Substantial Improvement Needed	In a comprehensive review of individual performance, contributions and personal/professional development, the employee: <ul style="list-style-type: none"> Is in the bottom 10% of the work group as evidenced by substantial improvement being needed in performance when considering: <ul style="list-style-type: none"> Total job requirements and expectations. Specifically identified objectives (MIP). Demonstration of Sprint Dimensions. Skills and behaviors indicating a substantial need for improvement in order to succeed as the business becomes increasingly more challenging.
N	Not Yet Rated	Employee has been in a new position for less than 6 months.

OVERALL PERFORMANCE SUMMARY	
Employee's Comments (Optional)	Manager's Comments (Optional)

PERFORMANCE / IDP PLANNING		1 st INTERIM PERFORMANCE REVIEW / IDP PROGRESS		2 nd INTERIM PERFORMANCE REVIEW / IDP PROGRESS		FINAL PERFORMANCE REVIEW / IDP RESULTS	
_____ Employee's Signature	_____ Date	_____ Employee's Signature	_____ Date	_____ Employee's Signature	_____ Date	_____ Employee's Signature	_____ Date
_____ Manager's Signature	_____ Date	_____ Manager's Signature	_____ Date	_____ Manager's Signature	_____ Date	_____ Manager's Signature	_____ Date
						_____ Next Level Manager	_____ Date

Appendix B

Rating	Rating Definitions
M - MOST EFFECTIVE	When considering overall Performance Objectives (including the Management Quality objective for employees with at least one direct report) and demonstration of Sprint Values, this rating is appropriate when the employee: 1. Exceeded all position requirements and expectations in quantity and quality. 2. Is well recognized by peers as a role model for performance. 3. Has demonstrated highly developed skill in all aspects of the position.
H - HIGHLY EFFECTIVE	When considering overall Performance Objectives (including the Management Quality objective for employees with at least one direct report) and demonstration of Sprint Values, this rating is appropriate when the employee: 1. Consistently met all, and frequently exceeded most, position requirements and expectations in quantity and quality. 2. Successfully accomplished all objectives. 3. Has demonstrated strengths in most performance areas, but has opportunities to develop in some areas.
V - VERY EFFECTIVE	When considering overall Performance Objectives (including the Management Quality objective for employees with at least one direct report) and demonstration of Sprint Values, this rating is appropriate when the employee: 1. Met position requirements and expectations in quantity and quality. 2. Accomplished most or all objectives. 3. Has demonstrated strengths in some areas, but also has a number of developmental opportunities.
L- LESS EFFECTIVE	When considering overall Performance Objectives (including the Management Quality objective for employees with at least one direct report) and demonstration of Sprint Values, this rating is appropriate when the employee: 1. Did not meet performance standards and expectations of the job. 2. Failed to accomplish objectives. 3. Overall performance requires significant improvement

Appendix C

2006 LTD/NLC Performance Feedback Form

Employee Information	
Employee Name:	Employee Position/Title:
Employee ID #:	Manager:
Department:	Review Period:
Our company values Competitiveness, Innovation, Teamwork, Community Involvement, and Integrity	
Section A—Achievement Objectives (Click for more details .)	
Write 3-5 objectives using Specific, Measurable, Attainable, Relevant and Time bound criteria. At mid-year and year-end, the employee will provide a summary of the results achieved for each objective (required). At year-end, the manager will indicate a final assessment by checking the appropriate box under Year-End Assessment.	
Achievement Objectives and Results	Year-End Assessment
Performance Objective #1: Mid-Year Results: Year-End Results:	<input type="checkbox"/> Objective Met <input type="checkbox"/> Objective Not Met <input type="checkbox"/> In Progress <input type="checkbox"/> Cancelled
Performance Objective #2: Mid-Year Results: Year-End Results:	<input type="checkbox"/> Objective Met <input type="checkbox"/> Objective Not Met <input type="checkbox"/> In Progress <input type="checkbox"/> Cancelled
Performance Objective #3: Mid-Year Results: Year-End Results:	<input type="checkbox"/> Objective Met <input type="checkbox"/> Objective Not Met <input type="checkbox"/> In Progress <input type="checkbox"/> Cancelled
Performance Objective #4: Mid-Year Results:	<input type="checkbox"/> Objective Met <input type="checkbox"/> Objective Not Met

Year-End Results:	<input type="checkbox"/> In Progress <input type="checkbox"/> Cancelled
-------------------	--

Section A—Achievement Objectives Summary
(Click for [more details](#).)

Mid-Year Summary:

Employee Comments (optional):	Manager Comments: (required):

Year-End Summary:

Employee Comments (optional):	Manager Comments: (required):

Section B—Leadership Quality Expectations (Click for [more details](#).)

I. Leadership Quality Competency Assessment (Note: The competencies are still under development and may undergo modification prior to mid year.) At Year-End, the manager will indicate a final assessment by checking the appropriate box under Year-End Assessment.	Year-End Assessment
<p>Lead by Example (how we effectively manage ourselves): Leadership is the responsibility of every employee at every level in the organization. We demonstrate leadership by exhibiting behaviors that support our Company Values and the accomplishment of our goals and objectives. We form collaborative, high performing teams, exude positive energy and a competitive spirit, communicate honestly and candidly and aggressively tackle challenges. We are passionate about our customers. We care about and support our fellow employees.</p> <ul style="list-style-type: none"> ▪ Customer Orientation ▪ Teamwork ▪ Planning/Organizing ▪ Initiative/Action Orientation/Tenacity ▪ Influence ▪ Communication ▪ Adaptability ▪ Problem Analysis/Decision Making ▪ Community Involvement 	<input type="checkbox"/> To an acceptable degree <input type="checkbox"/> Not to an acceptable degree
<p>Lead my Team (how we effectively manage others): Those who manage teams and team members are entrusted with the organization's most valuable asset, its employees. They lead the organization by developing an environment of inclusion and trust and holding themselves accountable for exemplifying the Lead by Example behaviors. Their teams deliver results by understanding their role in the organization and displaying effective behaviors. As leaders of people they attract, develop and retain outstanding and diverse team members. They communicate a compelling vision, establish clear objectives and are accountable for their team's productivity. They make and own difficult decisions, and celebrate successes.</p> <ul style="list-style-type: none"> ▪ Diversity/Inclusion ▪ Leading Teams ▪ Staffing and Retention ▪ Empowerment 	<input type="checkbox"/> To an acceptable degree <input type="checkbox"/> Not to an acceptable degree <input type="checkbox"/> Not Applicable. This employee does not manage others.
<p>Lead our Business (how we contribute to the management of the business): We each lead our business by competing aggressively, acting with a sense of urgency and purpose and relentlessly focusing on operational excellence and simplifying our processes. We make solid business decisions and take appropriate risks based upon sound business acumen, an understanding of our customers and knowledge of the external market.</p> <ul style="list-style-type: none"> ▪ Process Excellence ▪ Customer Knowledge/Industry Knowledge/Market Savvy ▪ Business Acumen ▪ Professional Knowledge/Technical 	<input type="checkbox"/> To an acceptable degree <input type="checkbox"/> Not to an acceptable degree
II. Leadership Quality Competency Development (Click for more details .) Specify development objective(s) related to performance.	Year-End Assessment
Leadership Quality Development Objective(s):	<input type="checkbox"/> Objective Met

<p>Lead by Example (how we effectively manage ourselves): Communication</p> <p>Lead by Example (how we effectively manage ourselves): Teamwork</p> <p>Lead our Business (how we contribute to the management of the business): Professional Knowledge/Technical</p>	<input type="checkbox"/> Objective Not Met
--	--

Section B—Leadership Quality Expectations Summary – At Mid-Year and Year-End, provide some comments regarding performance relative to the Leadership Quality Expectations (required).

Mid-Year Summary:

Employee Comments (required):	Manager Comments: (required):

Year-End Summary:

Employee Comments (required):	Manager Comments: (required):

Section C—Career Development (click here for Job Aid)**Career Development Discussion** (Click for [more details.](#))

A career development discussion is to occur between the employee and manager each year. **Please check the following box to indicate that discussion has occurred:**

- ☐ I have had a career discussion with my manager. I am satisfied with my current position/path and do not wish to write a career objective this year. (No further action required)
- ☐ I have had a career discussion with my manager this year and have elected to write a career objective for this year. (Complete the Career Development section below).

Career Development Objective(s) – Complete this section if you have elected to write a career objective.

Employees are responsible for their career development with the support of their manager. Document the areas of focus for development, related to targeted career development upon which you and your manager have agreed. During the review period, provide comments on activity taken.

Area of Focus #1:

Area of Focus #2:

Year-End Employee Comments (required):**Manager Comments (required):****Final Year-End Assessment** (Click for [more details.](#))☐ **Successful Performance****Or**☐ **Improvement Required****Review Period** (Click for [more details.](#))

<input type="checkbox"/> Initial Objective-Setting			
		Manager Signature (required) <i>Date</i>	2 nd Level Manager Signature (optional) <i>Date</i>
<input type="checkbox"/> Mid-Year on or before 8/15/06			
	Employee Signature (required) <i>Date</i>	Manager Signature (required) <i>Date</i>	2 nd Level Manager Signature (optional) <i>Date</i>
<input type="checkbox"/> Year-End on or before 2/1/07			
	Employee Signature (required) <i>Date</i>	Manager Signature (required) <i>Date</i>	2 nd Level Manager Signature (required) <i>Date</i>